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FILED 6199

OGC Has Reviewed

1 June 1954

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT : Status of Fiscal Year 1952 Funds Obligated Against
Procurement Contracts in Custody of Finance
Division

1. The principle underlying the Comptroller's recommendation is legally correct, i.e., where there are no security problems, that the problem be handled as in any other government agency. However, it is suggested that the mere fact that a contract was let on unvouchered funds in 1952 does not necessarily mean that at this time the subject matter is so sensitive (or even classified) that it cannot go to the General Accounting Office. Therefore, I suggest a review of security factors for each contract.

2. The above suggestion is made since general governmental rules do not authorize cancellation of an obligation against a particular fiscal year once it is made and subsequent administrative action to obligate another fiscal year. Such a general rule is overcome by 12.6 of CFR on the theory that security considerations prevent our following the normal rule.


Deputy General Counsel

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